

# House File 211 - Introduced

HOUSE FILE 211

BY BEST

## A BILL FOR

1 An Act prohibiting the government of, and persons and entities  
2 from, the People's Republic of China from acquiring real  
3 property located in the state.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 9I.2, Code 2023, is amended to read as  
2 follows:

3 **9I.2 ~~Alien rights~~ Real property — nonresident aliens and**  
4 **foreign governments.**

5 1. A nonresident alien, foreign business, or foreign  
6 government may acquire, by grant, purchase, devise, or descent,  
7 real property, except agricultural land or any interest in  
8 agricultural land in this state, and may own, hold, devise, or  
9 alienate the real property, and shall incur the same duties and  
10 liabilities in relation thereto as a citizen and resident of  
11 the United States.

12 2. Notwithstanding subsection 1, on or after July 1, 2023,  
13 the government of the People's Republic of China, or the  
14 government of a province, region, municipality, or autonomous  
15 region of the People's Republic of China, shall not acquire by  
16 grant, purchase, devise, or descent any real property located  
17 in this state.

18 3. Notwithstanding subsection 1, on or after July 1, 2023,  
19 a corporation incorporated under the laws of the government of  
20 the People's Republic of China, or a business entity whether  
21 or not incorporated, in which a majority interest is owned  
22 directly or indirectly by nonresident aliens from the People's  
23 Republic of China, or from a province, region, municipality,  
24 or autonomous region of the People's Republic of China, shall  
25 not acquire by grant, purchase, devise, or descent any real  
26 property located in this state. Legal entities, including  
27 but not limited to trusts, holding companies, multiple  
28 corporations, and other business arrangements, shall not affect  
29 the determination of ownership or control of the foreign  
30 business.

31 Sec. 2. Section 9I.5, Code 2023, is amended to read as  
32 follows:

33 **9I.5 Land acquired by devise or descent.**

34 1. A nonresident alien, foreign business, or foreign  
35 government, or an agent, trustee, or fiduciary thereof, which

1 acquires agricultural land or an interest in agricultural  
2 land, by devise or descent after January 1, 1980, shall divest  
3 itself of all right, title, and interest in the land within two  
4 years from the date of acquiring the land or interest. This  
5 section shall not require divestment of agricultural land or an  
6 interest in agricultural land, acquired by devise or descent  
7 from a nonresident alien, if such land or an interest in such  
8 land was acquired by any nonresident alien prior to July 1,  
9 1979.

10 2. The government of the People's Republic of China, or the  
11 government of a province, region, municipality, or autonomous  
12 region of the People's Republic of China, which acquires real  
13 property or an interest in real property, by devise or descent  
14 on or after July 1, 2023, shall divest itself of all right,  
15 title, and interest in the land within two years from the date  
16 of acquiring the land or interest.

17 3. A corporation incorporated under the laws of the  
18 government of the People's Republic of China, or a business  
19 entity whether or not incorporated, in which a majority  
20 interest is owned directly or indirectly by nonresident aliens  
21 from the People's Republic of China, or from a province,  
22 region, municipality, or autonomous region of the People's  
23 Republic of China, which acquires real property or an interest  
24 in real property, by devise or descent on or after July 1,  
25 2023, shall divest itself of all right, title, and interest in  
26 the land within two years from the date of acquiring the land  
27 or interest.

28 Sec. 3. Section 9I.6, Code 2023, is amended to read as  
29 follows:

30 **9I.6 Change of status — divestment.**

31 1. A person or business which purchases or otherwise  
32 acquires agricultural land in this state except by devise or  
33 descent, after January 1, 1980, and whose status changes so  
34 that it becomes a foreign business or nonresident alien subject  
35 to [this chapter](#), shall divest itself of all right, title, and

1 interest in the land within two years from the date that its  
2 status changed.

3     2. A person or business which purchases or otherwise  
4 acquires real property in this state except by devise or  
5 descent, on or after July 1, 2023, and whose status changes so  
6 that the person or business is affiliated in any way with the  
7 government of the People's Republic of China, or the government  
8 of a province, region, municipality, or autonomous region of  
9 the People's Republic of China, shall divest itself of all  
10 right, title, and interest in the land within two years from  
11 the date that the status of the person or the business changed.

12     3. A person or business which purchases or otherwise  
13 acquires real property in this state except by devise or  
14 descent, on or after July 1, 2023, and whose status changes so  
15 that the person or business is affiliated in any way with a  
16 corporation incorporated under the laws of the government of  
17 the People's Republic of China, or a business entity whether  
18 or not incorporated, in which a majority interest is owned  
19 directly or indirectly by nonresident aliens from the People's  
20 Republic of China, or from a province, region, municipality,  
21 or autonomous region of the People's Republic of China shall  
22 divest itself of all right, title, and interest in the land  
23 within two years from the date that the status of the person or  
24 the business changed.

25     Sec. 4. Section 9I.10, Code 2023, is amended to read as  
26 follows:

27     **9I.10 Enforcement.**

28     1. a. If the secretary of state finds that a nonresident  
29 alien, foreign business, foreign government, or an agent,  
30 trustee, or other fiduciary thereof, has acquired or holds  
31 title to or interest in agricultural land in this state in  
32 violation of this chapter or has failed to timely register as  
33 required under section 9I.7 or has failed to timely report as  
34 required under section 9I.8, the secretary shall report the  
35 violation to the attorney general.

1 b. If a county recorder finds that the government of the  
 2 People's Republic of China, or the government of a province,  
 3 region, municipality, or autonomous region of the People's  
 4 Republic of China, has acquired or holds title to or interest  
 5 in real property located in this state in violation of this  
 6 chapter, the county recorder shall report the violation to the  
 7 attorney general.

8 c. If a county recorder finds that a corporation  
 9 incorporated under the laws of the government of the People's  
 10 Republic of China, or a business entity whether or not  
 11 incorporated, in which a majority interest is owned directly or  
 12 indirectly by nonresident aliens from the People's Republic of  
 13 China or a province, region, municipality, or autonomous region  
 14 of the People's Republic of China, has acquired or holds title  
 15 to or interest in real property in this state in violation of  
 16 this chapter, the county recorder shall report the violation  
 17 to the attorney general.

18 2. a. Upon receipt of the a report from the secretary of  
 19 state or a county recorder under subsection 1, the attorney  
 20 general shall initiate an action in the district court of any  
 21 county in which the land is located.

22 ~~3.~~ b. The attorney general shall file a notice of the  
 23 pendency of the action with the recorder of deeds of each  
 24 county in which any of the land is located. If the court  
 25 finds that the land in question has been acquired or held in  
 26 violation of this chapter or the required registration has not  
 27 been timely filed, it shall enter an order so declaring and  
 28 shall file a copy of the order with the recorder of deeds of  
 29 each county in which any portion of the land is located.

### 30 EXPLANATION

31 The inclusion of this explanation does not constitute agreement with  
 32 the explanation's substance by the members of the general assembly.

33 This bill prohibits the government of the People's Republic  
 34 of China (China), or the government of a province, region,  
 35 municipality, or autonomous region of China (related regions)

1 from acquiring real property located in this state by grant,  
2 purchase, devise, or descent on or after July 1, 2023.

3 The bill also prohibits a corporation incorporated under  
4 the laws of the government of China, or a business entity  
5 whether or not incorporated, in which a majority interest is  
6 owned directly or indirectly by nonresident aliens from China  
7 or related regions, from acquiring real property in this state  
8 by grant, purchase, devise, or descent on or after July 1,  
9 2023. The bill provides that legal entities, including but not  
10 limited to trusts, holding companies, multiple corporations,  
11 and other business arrangements, do not affect the  
12 determination of ownership or control of the foreign business.

13 The bill requires a county recorder to report a violation  
14 of the bill to the attorney general. Upon receipt of a report  
15 from a county recorder, the attorney general shall initiate an  
16 action in the district court of any county in which the land is  
17 located. If the court finds that the land in question has been  
18 acquired in violation of the bill, the court shall declare the  
19 land escheated to the state pursuant to Code section 9I.11.

20 The bill makes conforming changes to Code section 9I.5 (land  
21 acquired by devise or descent) and Code section 9I.6 (change of  
22 status — divestment).